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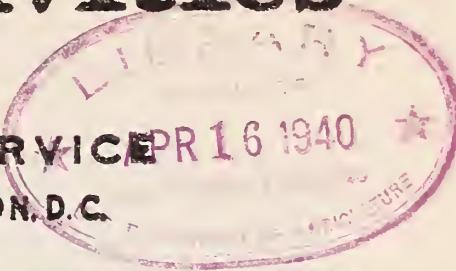
AGRICULTURAL MARKETING SERVICE

U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.

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MARKETING OFFICIALS TO MEET - 4-K WASHINGTON D C
IN WASHINGTON, APRIL 22-23



Federal and State marketing activities will be discussed at the annual meeting of the Atlantic States Division of the National Association of Marketing Officials, to be held at the Harrington Hotel, Washington, D. C., April 22 and 23. Benjamin P. Storrs, Director of the Connecticut Bureau of Markets, will preside.

The first day's discussions will cover such topics as "What of the Future?", "Duties and Functions of State Marketing Agencies", and "How Should Such Agencies be Expanded?" It is also planned in this first day's session to re-examine the present grading program for agricultural products from the standpoint of Federal and State grade specialists. The grade discussions are expected to go more particularly into the adaptability of present grades to consumer needs.

On the second day it is tentatively planned to discuss such topics as "New Crop Reporting Developments", "Crop and Market News by Radio", "The Food Stamp Plan as Related to Surplus Commodities", "How the State Marketing Agencies Aid Food Distributors", "Wage and Hour Laws in Relation to Agriculture", and the "Value and Importance of the National Association of Marketing Officials".

Randall B. Etheridge, Chief of the North Carolina Bureau of Markets, and Warren W. Oley, Chief of the New Jersey Bureau of Markets, are collaborating with Mr. Storrs in planning for the coming convention. These meetings have been very well attended in past years, and in view of the comprehensive program outlined for the 1940 meeting a large attendance is expected.

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POULTRY AND EGG REPORTS COMBINED

A number of reports issued by the Agricultural Marketing Service covering poultry and egg production, prices, stocks, egg breaking, and poultry canning have been combined in one report. The new report--"Poultry and Egg Production"--will be issued about the 15th of each month. The preliminary hatchery report, and the cold storage report on all commodities, will continue to be issued about the 8th and 12th of the month, respectively.

Plans are also under way to combine the various dairy reports issued by the Service. The combined report, to be issued about the 15th of the month, will include data on milk production, dairy products manufactured, fluid milk consumption, and stocks and prices of dairy products. It is planned to include in this report each month a review of past records for one of the statistical series included to provide a background for comparison and to show how the data being collected can be used.

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**ALBIN DIRECTOR OF
FSCC STAMP PLAN**

The Department of Agriculture recently announced the appointment of H. C. Albin as Director of the Stamp Division of the Federal Surplus Commodities Corporation. He will also continue his present administrative responsibility for the direct distribution and school lunch programs of the Corporation. In announcing Mr. Albin's appointment, Milo Perkins, President of the FSCC, said that it will make possible a greater degree of coordination in the working administration of the different programs to deal with agricultural surpluses.

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**CARLOT SHIPMENT REPORTS
ISSUED ON REVISED BASIS**

The carlot shipment reports of the Agricultural Marketing Service now classify as a "straight" car any "mixed" shipment of fruits and vegetables that consists of 90 percent or more of a given commodity. Plums and prunes are excluded from this ruling in that any shipment, the major portion of which consists of these commodities, is classified as a carload of plums and prunes. With this exception, carlots not coming within the 90 percent rule are classified as mixed.

For the past few years the tendency has been to load more mixed cars of fruits and vegetables, particularly to what might be termed "short haul" markets. With the privilege now afforded the shippers, as embodied in the carriers' tariffs affecting some parts of the country, it is permissible to load one or more containers of a commodity along with another and consign the cars as mixed shipments at a lower transportation charge.

WHY ARE HOG PRICES LOW?

. By C. L. Harlan

January 1940 was a big month in the meat packing industry. According to records compiled by the Agricultural Marketing Service, the total live weight of meat animals slaughtered under Federal inspection was the largest for any January in the 20 years for which records are available. And it was also the second largest for any month during this 20-year period, being exceeded only by December 1924.

In another respect January was unusual in that hog prices remained at abnormally low levels in relation to cattle prices. Farmers have become accustomed to receiving a higher price per 100 pounds for hogs than they have received for cattle. But for about 2 years hog prices generally have been lower in relation to the long-time average than cattle prices. And during 1939, the decline in hog prices was extremely sharp though cattle prices remained practically unchanged. In January 1940 the average price for hogs paid by packers was \$5.36 per 100 pounds compared with \$7.67 for cattle.

Compared with the 1921-34 January average, the 5 percent more hogs slaughtered in January this year sold for 33 percent lower prices, whereas the 13 percent larger cattle slaughter sold roughly at 7 percent higher prices.

These figures are well illustrated by the table below.

Inspected slaughter and average prices paid by packers per 100 pounds for hogs and cattle, January 1935-40 and 1921-34 January average

Year	Average price paid by packers :		Inspected slaughter	
	Hogs	Cattle	Hogs	Cattle
Average:	Dollars	Dollars	Thousands	Thousands
January				
1921-34	7.98	7.16	5,076	733
1935	7.65	5.77	3,048	814
1936	9.66	6.47	3,428	906
1937	10.15	7.13	3,519	867
1938	7.91	6.40	4,201	830
1939	7.28	7.70	4,043	761
1940	5.36	7.67	5,356	867

Why were hog prices in January 1940 so much lower than cattle prices? This question applies not only to this selected month but generally to the situation that has prevailed for some time and that promises to continue indefinitely.

Foreign Demand Restricted

No one simple answer provides a solution to this problem. In the first place, foreign outlet and foreign demand are important factors in determining total demand for hog products, but they are negligible in the case of other livestock. And the foreign outlet for hog products in January 1940 was greatly restricted. This reduced foreign outlet has increased the proportion of total hog products from Federally inspected slaughter that had to be disposed of through domestic channels.

Another reason for the relatively low hog prices is the low price of lard (See page 19). With lard production this year back to the pre-drought average, and with the export outlet restricted, the proportion of production going to domestic consumption is comparatively large. The indicated domestic consumption of lard from inspected hog slaughter in January 1940 was the largest for all months of record covering 19 years, and the indicated per capita consumption was the largest for January and the fourth largest for all months. With large supplies of other fats and oils available it took relatively low lard prices to move this quantity into consumption.

Most people are inclined to forget one factor tending to hold down hog prices, and that is the large production of hogs in the Southern States. This production in 1939 was of record size. Although only a relatively small proportion of the hogs produced in these States goes into the commercial supply, practically all of the products from southern-grown hogs are consumed within the South. Hence, when local supplies are large the market for the products from commercial slaughter which usually move in the South in large volume is restricted. Either other outlets must be found for much of these products or prices must be reduced to a level at which the southern market will take them.

Processing and Distributing Costs are Higher

And costs of getting hogs to consumers cannot be ignored. Since 1933, there have been rather marked increases in charges for processing and distribution of meats, and it appears that the level of such charges per 100 pounds of livestock slaughtered has been greater in the past 3 years than the average for the period 1921-34. Since much more processing is required for hogs than for cattle, the increase in such charges in recent years probably has affected hog prices more than cattle prices. And any increase in processing costs tend to be reflected in lower prices to livestock producers.

Making allowances for the probable effect of these different factors in holding down hog prices, other factors appear to be involved. The prices of fresh and cured pork, both wholesale and retail, are below their usual relationship to the prices of beef. In only 7 years in the last 21 has the average January wholesale price of pork loins in New

York been lower than good steer beef carcasses. Two of these Januarys were 1939 and 1940. In the other five Januarys the proportion of hogs in the total slaughter was much above average, but in 1939 it was below average and in 1940 about average. The spread between the two prices was the largest in January 1940 of all the seven monthly periods. Retail prices of fresh pork products have been and still are unusually low relative to those of fairly comparable cuts of other meats.

It would seem from these price relationships that consumer demand for pork is at a lower level than it was in the pre-depression years, while that for other meats is at about the same or at a little higher level. A possible explanation for this shift in demand is that during the years from 1935 to 1938 when hog production was greatly curtailed by feed shortages resulting from droughts the per capita supply of pork was low and prices of pork products were relatively high. The continuation of this short supply of pork over a number of years enforced a change in dietary habits which tended to become permanent. Then when hog production expanded rapidly in 1939 to above the pre-drought level it has taken relatively low prices to move this large supply into consumption.

How long it will be until pork regains its former relative position among meat and other animal products is a question for the answer of which there is little evidence in past experience.

(Editor's Note: Mr. Harlan is Principal Agricultural Statistician in charge of livestock production estimates for the Agricultural Marketing Service.)

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NEW STANDARDS FOR SXP-- AMERICAN-EGYPTIAN COTTON

New grade standards for American-Egyptian SXP cotton, and revised grade standards for American-Egyptian Pima cotton were recently announced by the Agricultural Marketing Service. The revised Pima standards will officially supersede those now in effect on March 20, 1941, and the new standards for SXP will become effective on the same date. In the meantime, both may be used permissively (by express contract provisions) in the purchase and sale of cotton of these varieties.

Grade characteristics of American-Egyptian Pima cotton have changed considerably since the promulgation of the present Pima standards in 1929, and in more recent years the SXP crop has increased to the point where it now constitutes a substantial part of the American-Egyptian production. The SXP cotton was developed a number of years ago from seed of the Sakellaridis variety imported from Egypt and crossed with plants of the Pima variety.

VIRGINIA GENERAL ASSEMBLY
PASSES MARKETING LEGISLATION

The General Assembly of Virginia during the session which recently adjourned passed several constructive bills pertaining to the marketing of farm products, reports J.H. Meek, Director of the Virginia Division of Markets. Affected by the new legislation will be the Virginia quality label, the licensing of inspectors, the weighing of livestock, reports and audits of cooperative associations, the keeping of records by those who purchase livestock, and the establishment of wholesale produce markets.

Senate Bill No. 76 provides for the protection of the Virginia quality label, which is used extensively on eggs and in a limited way on turkeys and canned tomatoes. The use of this label will continue on a voluntary basis, but the new law will prevent limitations and willful efforts to mislead and deceive the public. The bill also provides for those who make voluntary use of the label to pay the costs of furnishing the label and extending its use.

Senate Bill No. 75 provides for licensing inspectors of the Division of Markets, if samples from commodities graded or inspected by the licensed employee are graded or inspected by a regular employee of the Division of Markets or of the U. S. Department of Agriculture. It coordinates the services of the State with those of the Federal Government, reduces fees paid by the State to the Federal Government, and will keep down or reduce costs to those who use the services.

House Bill No. 20 provides for the weighing of livestock at auction markets by a representative of the State Department of Agriculture, if and when the Board of Supervisors of the county in which the market is located votes for such weighing.

Senate Bill No. 98 requires cooperative associations to make reports and audits to the Division of Markets on request.

House Bill No. 353 requires the keeping of certain records by those who purchase livestock in order to trace thefts more easily.

Senate Bill No. 169 permits Virginia cities of over 30,000 population to establish a wholesale produce market authority, and outlines the manner in which the markets are to be organized.

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The estimate of total damage done by recent floods in northern California was increased by \$50,000 when the State Department of Agriculture revealed that some 4600 colonies of bees and 30 percent of the equipment necessary to maintain them had been washed away.

**ILLINOIS HOMEMAKERS BUY
GOVERNMENT-GRADED BEEF**

Government grading of meat is helping the homemaker with her beef-purchasing problem, say W.C. Ashby and Earl C. Hedlund, University of Illinois economists. Of 256 Decatur housewives recently interviewed at home and 95 questioned while they were purchasing meat at the market, a large proportion of the "home" group and more than three-fourths of the "shop" group said that they buy Government-graded meat.

Surprising to Ashby and Hedlund was the fact that even many homemakers of the low-income group are using this procedure for buying. The women indicated that their main reasons for buying meat upon which the Government grader had placed the U. S. grade stamp were the tenderness, dependability, and flavor of the meat. They had gained their purchasing information at club meetings and from the retailers.

Few consumers could distinguish between packer beef brands, although they were familiar with the names of at least two or three packing companies. None knew how many brands any packer used or the quality relationship between these brands. "The market survey, a separate study, has disclosed that 17 different beef brands from six different packers are being sold in Decatur. Since the average consumer does not know whether packer first, second, third or fourth brands are being purchased, it cannot be said that brands are understood or used intelligently as guides to quality in buying beef," Ashby and Hedlund said.

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**MEAT GRADING SERVICE
AT DES MOINES, IOWA**

The Federal meat grading service was extended to Des Moines on March 1 at the request of the State of Iowa, which intends to purchase graded meat for its institutions. This brings to a total of 12 the States that have requested the grading service.

Meat grading was started in 1923 as a special service to the United States Steamship Lines. Since that time a large number of hotels, restaurants, railroad dining car services, Veterans' Hospitals, State, county, and city institutions, and other users of large quantities of meats have specified their requirements with respect to quality in terms of U.S. grades. They have required that deliveries of meats bear the acceptance stamp of an official grader, indicating that he has examined the meat and accepted it as meeting the requirements for the grade specified in the contract.

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Shipments of 1939-crop alfalfa seed have been larger than in 1938.

REVISED REGULATIONS PROPOSED FOR POULTRY, DAIRY PRODUCTS GRADING

Proposed revisions of rules and regulations for official grading of butter, cheese, eggs, poultry, and dressed domestic rabbits were recently announced by the Agricultural Marketing Service. The major changes contemplated provide:

1. Revised rules for "non-appeal grading," that is, grading by two official graders instead of one in which the findings of fact shall be final, at fees 2 and 1/2 times the usual grading charge.
2. Requirements for keeping-quality tests for butter samples, and the requirement that butter of known poor-keeping quality shall not be certified for packaging with certificates of quality.
3. That eggs which have been in cold storage for specified periods, and commercially shell-cleaned eggs, shall be properly marked when packed under certificates of quality or grade labels.
4. That each container of butter or cheese tendered for official sampling shall bear the original churning or vat number properly and legibly marked thereon; that if the butter or cheese is tendered for grading and certification for packaging under certificate of quality, the applicant shall furnish the name and address of the manufacturer and the number of packages of each churning or vat; and the packages shall be marked with the stencil number or other identifying mark of the manufacturer and the date of manufacture in addition to the churning or vat number.
5. That authority to issue certificates of quality or grade labels shall be granted only to applicants who provide for the printing and packaging of the butter and the packaging of the eggs under the supervision of an official supervisor of packaging.
6. That butter print rooms and butter or egg packaging rooms where butter or eggs are packaged with certificates of quality or grade seals shall be maintained in a clean and sanitary condition.

Copies of the proposed revisions have been sent to producers, exchanges, and other handlers of the commodities affected. The Agricultural Marketing Service has requested them, and all other interested parties, to submit comments and suggestions on the proposed changes not later than April 15. Additional copies of the proposed revisions may be obtained upon request to the Agricultural Marketing Service, Washington, D. C.

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Butter officially graded during the 1939 fiscal year totaled 321 million pounds

Tobacco is produced on a commercial scale from Canada to the Gulf of Mexico in about twenty States, seventeen of which are east of the Mississippi River. Over 500,000 growers join in the production of a billion-and-a-quarter to a billion-and-three-quarter pounds annually. The combined annual income of these growers from the sale of tobacco has ranged from 235 to 318 million dollars in the past five years. During the same period Bureau of Internal Revenue receipts from taxes on tobacco products have ranged between 500 million and 600 million dollars annually.

TOBACCO TYPES MAKE THE FLAVOR

. By J. V. Morrow

"Why do the cigarette manufacturers make so many advertising claims? The tobacco all comes out of the same barrel." That is the comment people frequently make when cigarette advertising is being discussed. But cigarette tobacco actually comes out of several barrels--each tobacco of a definite type. The combination of these types, or the "blend," largely determines flavor. And whether or not one cigarette is "better" than another depends upon individual tastes.

Most tobacco products, like cigarettes, are blends of various types. Some types which are suitable for use in several products are entirely unsatisfactory for use in a particular product. Barley tobacco, for example, is used in cigarettes and pipe tobacco, but it is not used in cigar manufacture. And fire-cured tobacco, which is used in snuff and Italian-type cigars, is entirely unsuitable for 100 percent use in cigarettes, although minute quantities of fire-cured tobacco are included in some blends.

The Department of Agriculture recognizes 26 major types of leaf tobacco, and its classification takes into consideration the area of production, curing methods, uses, and to a limited extent, varietal differences. The classification of the so-called manufacturing types or southern tobaccos is based principally upon methods of cure and is divided into light air-cured and dark air-cured. Flue-cured types are cured rapidly in small tight barns with artificial heat through the use of furnaces and flues, which do not allow the smoke and fumes of the fuel to come in contact with the tobacco. The fire-cured types are cured with artificial heat in larger barns, and the smoke and fumes from the wood fires built on the earthen floors of the barn are allowed to come in contact with the tobacco. The air-cured types, as the name implies, are cured in large barns under natural atmospheric conditions.

Cigar leaf tobaccos are classified broadly on the basis of principal usage and cover three classes: cigar-filler types, cigar-binder types, and cigar-wrapper types. All cigar-leaf types are air-cured under natural atmospheric conditions.

Cigars -- "Rolls of Tobacco Wrapped With Tobacco"

Cigars are defined by the Bureau of Internal Revenue as "rolls of tobacco, or any substitute therefor, wrapped with tobacco." There are countless blends, brands, shapes, and sizes, but the Bureau of Internal Revenue classifies them simply as large cigars (those weighing over three pounds per thousand), and small cigars (those weighing less than three pounds per thousand.) The tax rate on large cigars is based on the retail selling price and ranges from \$2 to \$13.50 per thousand. The tax rate on small cigars is 75 cents per thousand.

The regular large cigars consist of three parts — the filler or inner core, the binder, which is an inner wrapper holding the filler in shape, and the outside wrapper. Two forms of fillers are used in manufacturing cigars, long fillers and short or shredded fillers. The long filler, as the name indicates, consists of sprigs or long pieces of leaf running lengthwise in the cigar. The short filler is cut or shredded portions of leaf which are more or less tangled.

Certain types of tobacco are produced specifically for cigar filler purposes. The tobacco types classified as cigar fillers and grown in continental United States are Pennsylvania Seedleaf, which is produced in Lancaster county and adjacent counties of Pennsylvania; Gebhardt, Zimmer, and Little Dutch, produced in the Miami Valley of Ohio; and the Georgia and Florida Sun-grown, produced in the southern part of Georgia and northwestern Florida. Puerto Rico produces filler-type tobacco, the bulk of which is used by United States cigar manufacturers. Some filler leaf is shipped from the Philippine Islands, and certain grades of Cuban leaf are imported for use in fillers. The filler in most cigars consists of a blend or combination of these various types, but some cigars are manufactured by using a single-filler type.

How "Stogies" Got Their Name

Three kinds of cigars coming under the Internal Revenue classification of large cigars differ from regular cigars. These are the so-called "stogie", cheroot, and the Italian-type cigar. Stogies and cheroots are slender cigars with truncated ends made without the use of a binder, though stogies are much longer than cheroots. The term "stogie" had its beginning in early settler days when itinerant merchants traveling out of Pennsylvania peddled hand-made cigars through Ohio and the West. These merchants traveled through the country in Conestoga wagons and the cigars sold by them were associated with the wagon name. Eventually the name was shortened to "stogie." The term cheroot is derived from a Tamil word "curuttu" which was Anglicized to cheroot. This type cigar originally came from Manila and India. The Dutch or Little Dutch type of tobacco, grown in the Miami Valley of Ohio, and some fire-cured tobacco, are as a rule used for stogie fillers. Various types are used in cheroots. The Italian type cigar is made wholly of fire-cured tobacco which is grown in Kentucky, Tennessee, and Virginia. Like the stogie, no binder is used and there are various shapes and sizes. . .

Types most suitable for use as cigar binders are the Connecticut Havana Seed and Connecticut Broadleaf which are produced in the Connecticut and Housatonic River Valleys, and the Northern and Southern Wisconsin tobacco produced in Wisconsin and Minnesota.

Binders are sometimes selected from the thin grades of filler types, and wrappers are sometimes selected from the thin better-quality grades of the two binder types produced in Connecticut. The types produced primarily for wrapper purposes are the Connecticut Valley Shade-grown and the Georgia and Florida Shade-grown. In addition to the use of these domestic types of tobacco for wrappers, considerable quantities of Sumatra and Java tobacco are imported, and some wrapper tobacco is also imported from Cuba.

Federal Tax on Cigarettes -- 6 Cents Per Package

Cigarettes are defined by the Bureau of Internal Revenue as "rolls of tobacco or any substitute therefor wrapped in paper." This is a very broad definition. The cigarette might be more specifically defined as "a small roll of finely shredded tobacco about one-fourth of an inch in diameter and about two and three-fourths inches long wrapped in thin tissue paper." This definition would apply to the so-called popular brand cigarettes and to the great majority of all cigarettes manufactured. The Bureau of Internal Revenue classifies them as "small cigarettes weighing less than three pounds per thousand," taxed at the rate of \$3.00 per thousand, or six cents per package of 20. Large cigarettes weighing over three pounds per thousand and measuring not more than $6\frac{1}{2}$ inches in length are taxed on the basis of one cigarette for each $2\frac{3}{4}$ inches (or fraction thereof.) Tax-paid withdrawals indicate that more than 172 billion cigarettes were consumed in 1939 -- about 1,300 per person.

Most of the popular brand cigarettes consist of a blend of flue-cured, Burley, Maryland, and Turkish tobaccos. Some cigarettes are made wholly of flue-cured and some of Turkish alone. The term Turkish tobacco is a misnomer to a certain extent as this tobacco comes not only from Turkey but also from Greece, Bulgaria, and other Mediterranean countries and islands. Turkish tobacco is an aromatic light-colored air-cured type and is sometimes called the "pepper and salt" or "seasoning" of cigarettes. In addition to the Turkish types, which are used to the extent of about 10 percent in blends, a limited quantity of Latakia tobacco is used in some cigarettes. Latakia might well be termed the "spice" due to the pungent aroma imparted by the Syrian custom of curing it over fires of camel dung.

Minute quantities of Perique and fire-cured tobaccos are used in some cigarettes. Perique tobacco is a type with limited production in the St. James parish of southern Louisiana. The unusual handling and processing methods of the growers give this tobacco a unique pungent flavor and an almost black color.

The leaf tobacco used in cigarettes is sometimes treated with an aqueous solution containing varying proportions of such substances as licorice, honey, sirup, and glycerine. The use of glycerine gives the cigarette the ability to retain moisture. Other materials are used to achieve flavor and uniformity in blend. Some manufacturers, in addition, treat the tobacco with menthol and menthol mixtures.

Cigarette Blends about One-half Flue-Cured Tobacco

The flue-cured tobaccos which constitute about 52 percent of the blend in popular brand cigarettes are mild and sweet in flavor and range in color from a light lemon yellow to a red or mahogany brown. The light-bodied lemon-and-orange-colored grades are used principally in cigarettes.

Flue-cured types are grown in Virginia, North Carolina, South Carolina, Georgia, and Florida. And in 1939 these States produced more than a billion pounds of flue-cured tobacco. In past years more than 50 percent of the crop has been exported.

Burley tobacco -- usually about 35 percent of cigarette blends -- is produced principally in Kentucky and Tennessee though some is grown in Virginia, Ohio, Indiana, Missouri, North Carolina, and West Virginia. The color ranges from a very light tan to light brown, and like flue-cured, the thin light colored grades are used in cigarettes. Burley is mild and blends well with other tobaccos but is not suitable for use alone in cigarettes. The total crop has ranged from 250 to 425 million pounds in the past five years and practically all of it is used in this country.

Maryland tobacco is produced in five counties in the southern part of the State. It is a light-colored, thin, dry-natured tobacco which fluffs out and adds bulk to a cigarette. It is noted for its excellent burning quality. As it is more or less neutral in flavor it blends well with other tobaccos and accounts for about three percent of the total tobacco used in blended cigarettes. The annual production ranges from 20 to 30 million pounds and until recent years a large part of the crop was exported.

Chewing Tobacco -- Plug, Twist, and Scrap

Chewing tobacco is manufactured in three forms, plug, twist, and scrap. Fine cut and long cut are sometimes classified as chewing tobacco but are more rightly considered as dual purpose products as they are used more for smoking than chewing. The Bureau of Internal Revenue taxes all kinds of chewing tobacco at the rate of 18 cents per pound.

Plug is a flat, hard-pressed cake usually rectangular in shape and of varying dimensions. A plug is composed of an inner filler of heavy absorptive grades of leaf tobacco which have usually been dipped in or treated with a casing mixture of other materials such as

licorice, sugar, sirup, honey, glycerine, and flavoring extracts. An outer wrapper of high quality, smooth, elastic tobacco is pressed around the plug largely for the sake of appearance. Of the total plug tobacco manufactured, records indicate that about 36 percent is Burley, 16 percent flue-cured, 12 percent dark air-cured, less than 1 percent fire-cured and cigar leaf, and about 35 percent materials other than tobacco.

Twist, as the name indicates, is a roll of tobacco looped and twisted to a spiraling point. The roll is covered before twisting with an outer wrapper of high grade tobacco chosen for appearance, elasticity, and tensile strength. As is the case in plug, the inner filler is usually composed of the heavier, darker grades. A larger percentage of Burley and dark air-cured is used in twist than in plug, and a much smaller percentage of flue-cured. Somewhat more fire-cured is also used. More natural leaf unsweetened twist is manufactured than sweetened twist; therefore, the percentage of materials other than tobacco is low.

The dark air-cured tobaccos used in plug and twist are the Virginia sun-cured (which is in reality an air-cured type) produced in a small area near Richmond; One Sucker, produced in Kentucky, Tennessee, and Indiana; and to a limited extent, Green River tobacco which is produced principally in Kentucky.

Scrap chewing consists of cut or shredded portions of leaf tobacco one-half inch or more in diameter. It is manufactured and packaged in both the natural leaf state and in sweetened form. It is made almost entirely of cigar leaf tobacco. Practically all types of cigar leaf are used as the manufacturers purchase cuttings (scrap produced in cutting cigar binders and wrappers) from cigar makers to blend into the product. The scrap chewing manufacturers purchase direct from growers large quantities of the lower grades of Wisconsin, Connecticut, Ohio, and Pennsylvania tobacco which are unsuitable for use as cigar fillers and binders. These grades are known in the trade as stemming grades. It is necessary to stem carefully and closely all tobacco used for chewing purposes. Practically all of the stem or midrib, and some of the coarser cross fibers, must be removed.

Although the consumption of chewing tobacco has declined considerably, there were still enough "chewers" in the United States to consume a total of about 100 million pounds in 1939.

Smoking Tobacco Manufactured in Many Forms

Smoking tobacco is manufactured in many forms such as granulated, long-cut, fine-cut, rough-cut, ready rubbed, plug cut, shag, and others, all of which the Bureau of Internal Revenue taxes at the rate of 18 cents per pound.

Granulated smoking tobacco differs from the others in that it is drier and carries a much smaller percentage of material other than tobacco. This material amounts to about $2\frac{1}{2}$ percent of the total.

Records also indicate that about 3 percent consists of rolled, flattened, and cut stems. Flue-cured tobacco predominates for uses in granulated smoking, totaling about 58 percent. Less than one-half of 1 percent fire-cured, a little over 1 percent of dark air-cured, a little more than 3½ percent Southern Maryland, and 31½ percent of Burley go into granulated smoking. Lower priced, medium bodied, and light bodied grades of the above types are usually used in this product. This form of tobacco is usually packaged in small cloth bags.

The other forms of smoking tobacco are usually packaged in tin or a combination of tin foil and paper. Burley predominates in these other forms, or about 50 percent of the total used, and the quantity of materials other than tobacco runs as high as 35 percent. About 11 percent is flue-cured tobacco and 4 percent is added stems. The medium-to-heavy-bodied grades of Burley and flue-cured are used in these other forms of smoking.

Granulated smoking tobacco, as well as especially cut fine shredded tobacco, is most popular for "roll your own" cigarettes, although some of the other forms are also used for this purpose. A little over 202 million pounds of all forms of smoking tobacco were manufactured in 1939.

Production of Snuff Has Increased

Snuff is manufactured in many forms. Some of the principal forms are fine and coarse, dry and moist, plain and toasted, and flavored and scented. Such distinctions as Copenhagen, Scotch, Welsh, Irish, Swedish, Maccoboy, and Rappee are made in the trade. Scotch snuff is dry, finely powdered, and of various flavors. The name is derived from the Scot's preference for this type, and the names Irish and Welsh are most often applied to toasted Scotch snuff. Swedish and Copenhagen types are coarser than Scotch and usually semi-moist. Contrary to the popular belief, very little snuff is sniffed or used through the nose. Most of it is dipped or chewed.

And the use of snuff is not dying out. Production increased from a little under 4 million pounds in 1880 to more than 41 million pounds in 1929. Since that date production has declined slightly but has never been less than 35 million pounds. About 38 million pounds were produced in 1939.

Snuff is packed in all sorts of shapes and kinds of containers. Probably the best known and most popular is the small tine box retailing at 10 cents. In olden days before much commercial use was made of tin, paper, glass, and cardboard containers, snuff was packed in boxes made from the throat membranes of cattle. To satisfy certain users who maintain that such containers enhance flavor and quality, these are used even now to a certain extent. They are sometimes erroneously called "bladders." The correct name for them is "weasands."

The principal types used in manufacturing snuff are the dark fire-cured tobaccos produced in Virginia, Kentucky, and Tennessee. The Virginia fire-cured tobacco is produced in 10 or 12 counties in the area adjacent to Lynchburg and Farmville. Kentucky and Tennessee fire-cured is produced in western Kentucky and the northwestern part of Tennessee. The most desirable qualities of these types for snuff purposes are the dark brown, heavy-bodied, well-cured, rich, and oily grades. More than 74 percent of all tobacco used in snuff is fire-cured. A little over 2 percent of dark-air cured is used, and less than one-half of 1 percent of Burley. About 15 percent of ground stems are added and 7 percent of materials other than tobacco. Other ingredients are salt, sugar, and certain essential oils and spices for seasoning, such as cinnamon, cassia, attar of roses, wintergreen, mint, and so forth.

By-Products Are Important

In addition to the regular tobacco products, considerable quantities of byproducts such as fertilizer, nicotine or nicotine sulphate, tobacco extract, poultry dusting powder, and greenhouse fumigants are manufactured from the waste of cigar, cigarette, and tobacco manufacturing plants, and from low grade tobacco and scrap. Over 150 million pounds of stems, several million pounds of dust and siftings, and a large quantity of low grade dark air-cured and fire-cured go into these byproducts annually.

While tobacco is produced in a number of States over a wide area, the type areas are highly localized. And there has been a constant change and readjustment in the geography of tobacco production since Colonial times. Consumer preference for certain products is largely responsible for this change, and experience has shown that certain combinations of soil, climatic conditions, varieties, and cultural and curing methods are necessary to produce tobacco suitable for specific products.

(Editor's Note: Mr. Morrow is in charge of tobacco market news and the quarterly tobacco stocks reports for the Agricultural Marketing Service.)

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THE TOBACCO OUTLOOK

An abnormally large prospective supply and reduced export outlets make the outlook for flue-cured tobacco appear generally unfavorable for the 1940-41 season. A large prospective supply of Burley, although not of record proportions, indicates that the market situation in 1940-41 may not be greatly different from that of 1939. The outlook for fire-cured, dark air-cured, and cigar types is relatively favorable on the basis of March 1 acreage intentions. (The 1940 prospective plantings report showed that tobacco growers intend to reduce their acreage this year about 22 percent--to 1,524,000 acres compared with 1,924,000 acres in 1939.)

TOBACCO AUCTION SYSTEM IN MARYLAND WELL ESTABLISHED

The auction system of selling, which was inaugurated on an experimental basis in Maryland last season with the opening of auction sales warehouses at Hughesville and Upper Marlboro, shows every indication of permanence. While popular sentiment is still divided on the issue of the closed bid hogshead system of selling versus open auction sales in basket lots, the tobacco trade seems definitely convinced of the success of auctions.

There will be a considerable increase in the facilities for handling tobacco under the open auction system in Maryland this season. An additional warehouse has been built at Hughesville by a warehouse operator from Lynchburg, Virginia, doubling the available floor space at this point. One of the largest commission firms in Baltimore has started construction of a large sales floor in Upper Marlboro and is also erecting a smaller unit at La Plata. A sales floor is being constructed at Waldorf by a firm from Greenville, North Carolina.

In addition to the sales floors being constructed, a large packing and handling plant is being built at Waldorf by one of the larger dealer organizations. Sufficient space is being provided in this plant for re-drying facilities in the event this method of handling Maryland tobacco is later adopted. It is rumored that another such plant is to be built at Upper Marlboro.

The markets are expected to open about the first of May, and four sets of buyers will probably be used, one set for each of the selling points--Hughesville, Upper Marlboro, La Plata, and Waldorf.

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FARMER BANKRUPTCIES IN 1939 LOWEST IN 18 YEARS

Farmer bankruptcies reported to the Attorney General during the 1939 fiscal year were at their lowest point in almost 2 decades, showing a 21 percent drop compared with the previous year, an analysis by the Bureau of Agricultural Economics shows.

In all, 1,422 cases of farmer bankruptcies were recorded during the fiscal year ending June 30, 1939, while 1,799 such cases were reported at the end of the 1938 fiscal year. This decrease is the continuation of a decline that has been apparent since 1933 when 5,917 farmer bankruptcies were reported. This means a drop of 76 percent in their number since 1933. During 1939, 2,607 cases in which farmers' debts were adjusted without declaration of bankruptcy under either Section 75 or other provisions of the National Bankruptcy Act were also concluded.

LARD--AN UNSTANDARDIZED COMMODITY
By M. T. Foster

A recent editorial in "Wallace's Farmer" said, in part:

"If a gigantic advertising campaign for lard were started tomorrow, much of the money would be wasted. If 100,000 women started to the store and asked for lard, a good many thousand would be given an unstandardized and unsatisfactory product that would drive them back to lard substitutes for good.

"Until farmers can say: 'Buy Grade A lard', and be sure that 'Grade A' means a uniform grade that will really do what good lard ought to do, there isn't much sense in an advertising campaign."

The hog producer's, interest in lard, and in lard standards, is obvious. In 1939, lard production under Federal inspection totaled 1,316,000,000 pounds--an average of approximately 32 pounds of lard for each hog slaughtered. But this was only about two-thirds of the supply. Taking into consideration the quantities that came from hogs slaughtered on farms, in non-Federally inspected packing plants, and other slaughter, lard production in 1939 was estimated to total over 2 billion pounds.

The combined consumption of lard and other shortenings is relatively stable; that is, people tend to use about the same quantity year after year. Since 1924, the average per capita consumption of all shortenings has ranged from 21.4 to 23.6 pounds. Lard processors must compete in this market with the manufacturers of vegetable shortenings. The greater use of vegetable oils for cooking since 1933, and an increase in hog slaughter the past 2 years, have combined to force lard prices to very low levels.

The fact that lard is not standardized puts processors at a serious competitive disadvantage in their fight for a market. Lard shows a wide variation in quality, depending upon the process used in its manufacture, the kind of fat used, and the period of time which elapses from slaughter to rendering. The manufacturers of vegetable shortenings, on the other hand, by the control of factory processes are able to produce a standardized product.

The Hog Producers' Interest

Hog producers are of the opinion that standards for grades of lard would lead to increased acceptance of that commodity by consumers and that this would, result in a higher price for lard. And higher lard prices, producers believe would be reflected in higher prices paid for hogs. If consumers were sure that they could buy lard of uniform quality throughout the year, some increase in the consumption of lard might follow. Since an increase in the consumption of lard would probably lead to a reduction in the use of competing shortenings

the competitive price structure could be such that no one shortening would enjoy a substantial premium price advantage for any considerable period of time. In other words, the standardization of lard might be an asset from the standpoint of the consumer, might aid in the merchandising of lard, and might mean higher hog prices, although the gain in hog prices probably would not be material.

Within the last two years, the Agricultural Marketing Service has received many requests to establish standards for lard. These requests have come from swine growers associations, colleges, experiment stations, and other interested agencies and individuals. But before attempting to establish lard standards, the Service--in cooperation with the Institute of American Meat Packers -- has made an effort to familiarize itself with all aspects of lard production and distribution. Questionnaires have been mailed to lard processors covering such phases of production and distribution as kinds of lard processed, kinds of fats used in lard manufacture, market outlets, type of containers used, and other pertinent questions. The replies to these questionnaires are expected to throw a great deal of light on the scope of the problem.

The standardization of lard, if undertaken, following a survey and study of the problem, involves considerably more than arbitrarily establishing standards for grades. It calls for harmonious cooperation between those in charge of the program and those who process the product. Considering that lard is rendered throughout the United States in many types of establishments, and on the farm, the magnitude of the problem becomes apparent.

Many Factors Involved

Practically all of the lard disposed of through distribution channels is processed by one of three principal methods -- steam rendered, dry process rendered, and kettle rendered. Each method, in general, is best adapted to certain conditions and, in turn, produces a lard that possesses characteristics peculiar to that rendering process or kind of lard. Some of these characteristics can be altered by additional processing while others can be regulated by methods of control well known in the industry.

Considering everything involved, the attainment of some degree of standardization in the quality and other characteristics of lard offered consumers presents for solution many interesting and complicated problems. Rigid lard standards would increase manufacturing costs and prices to the consumer. This might actually work to the detriment of all concerned. On the other hand, standards too loosely drawn would be little better than no standards at all. Ideal standards are those which take into account the interests of the hog producer, the lard processor, and the housewife.

(Editor's Note: Mr. Foster is Associate Marketing Specialist for the Agricultural Marketing Service.)

AMERICAN-EGYPTIAN COTTON--A POSSIBLE SUBSTITUTE FOR IMPORTED VARIETIES

That portion of the domestic cotton textile industry utilizing extra-staple cotton wants high quality cotton in adequate, dependable quantities. How well does American-Egyptian cotton meet these requirements? University of Arizona Bulletin No. 167-- "American-Egyptian Cotton" goes a long way toward answering this question.

In staple length, it was found that American-Egyptian cotton fully meets the needs of domestic spinners by averaging as long or longer than its principal competitor, imported Egyptian cotton. And its grade has been up to the expectations of spinners. But in character, the presence of upland fibers, or fibers from hybrids, are believed to account for some of the complaints from spinners. This difficulty could be avoided by the use of certified seed, though unjustified prejudices may play some part in determining mill preferences.

American-Egyptian cotton is chiefly used in the manufacture of woven cloth which is divided into three groups on the basis of ultimate use--(1) clothing, (2) household, and (3) industrial. The outstanding uses for these fabrics are shirts, dresses, sleeping garments, and handkerchiefs. Curtains and various specialties are the principal household uses for woven fabrics made from this cotton. The leading industrial uses for mechanical fabrics are airplane and balloon cloth, typewriter ribbons, and tire fabrics.

Supplies of American-Egyptian cotton averaged 24,300 running bales during the eight seasons ended 1937-38. And in every season in recent years, except 1937-38, supplies exceeded average disappearance by substantial volumes. But it is certain that consumption of American-Egyptian cotton would have been considerably larger in 1937-38 if larger supplies had been available at lower prices relative to imported Egyptian cotton.

From the standpoint of growers, however, farm returns must be considered. American-Egyptian cotton yields are low relative to upland varieties, and picking and ginning costs are higher. Because of these differences in costs, farmers must get a substantial premium for American-Egyptian cotton or they cannot afford to produce it.

Cooperation between the Agricultural Marketing Service and the University of Arizona made the study possible. On the field survey, E. H. Pressley represented the University of Arizona, and Rodney Whitaker the Agricultural Marketing Service. The work of the Agricultural Marketing Service was under the direction of Carl H. Robinson and that of the University of Arizona was directed by George W. Barr.

COTTONSEED GRADING MAY BE
EXTENDED TO TEXAS-OKLA. AREA

Government supervision of cottonseed sampling and grading, which has been in effect in the Mississippi Valley area for the past three seasons, may be extended to Texas and Oklahoma in time for the 1940-41 seed marketing season. Carl H. Robinson, in charge of cotton marketing work for the Agricultural Marketing Service, recently reported that a seed grading program can be arranged for Texas and Oklahoma provided sufficient cooperation is obtained from crushers and ginnery to assure its success.

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APPLICATIONS FOR FREE COTTON CLASSING
MUST BE FILED NOT LATER THAN AUGUST 1-15

Deadline dates for filing applications for the free classification of 1940 cotton grown by organized improvement groups, and market news services for these groups, are August 1 for most of the Mississippi Valley and the Southeastern States, and August 15 for the more northerly and western areas.

Applications may be made by any organized cotton improvement group as soon as its members have planted their cotton. The request must be filed with the Agricultural Marketing Service not later than August 1, however, for groups in Florida, Georgia, South Carolina, Alabama, Mississippi, Arkansas, Louisiana, and the counties of Texas lying entirely or for the most part east of the 100th Meridian.

To allow for later planting in other areas, the final date for filing is August 15 for groups in North Carolina, Virginia, Tennessee, Kentucky, Missouri, Oklahoma, New Mexico, Arizona; California, and all counties in Texas lying entirely or for the most part west of the 100th Meridian.

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COMBIEN DE POMMES
DE TERRE AVEZ VOUS?

Down in Louisiana, H. H. Schutz, Agricultural Marketing Service statistician, is sending out crop report instructions (accompanying schedules of inquiry) both in English and French to the parishes where a large part of the population speaks French. In certain parts of Louisiana it has been found difficult to secure the cooperation of the French-speaking farmers, and it is hoped that with the instructions printed in French more of the questionnaires will be answered.

56 GOVERNMENT DESIGNS FOR COTTON HOSE SENT TO TRADE

Under recent legislation designed to stimulate the use of cotton in women's hosiery, the Bureau of Home Economics of the Department of Agriculture has already designed and released to the trade 56 types of full-fashioned hose. According to reports from the hosiery trade, one or more of the Department's designs for women's full-fashioned cotton hosiery are to be manufactured and placed on the market in the near future.

The Government designs range from plain knits for service to ultra-smart designs with mesh heels and toes and other style features for wear with dress shoes and sandals. Some have two-way stretch welts, and all are carefully designed to insure trim fit and greater elasticity than the old-style cotton stockings. Many of these hose have also gone through laboratory tests for abrasion, stretch, elasticity, and tensile strength.

The yarns for these hose were spun from American-grown long staple cotton, and to give smoothness and luster were gassed and mercerized. Though experimentally knit to the specifications of the Bureau of Home Economics, all these designs were made on modern hosiery machines--the same kind used for manufacturing silk or rayon hose.

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DAIRY STATISTICS BULLETIN ISSUED BY NEW YORK CROP REPORTING OFFICE

A comprehensive bulletin--"Statistics Relative to the Dairy Industry in New York State, 1936-1938"-- has been released by the New York Department of Agriculture and Markets in cooperation with the Agricultural Marketing Service. This publication presents statistical information covering milk from the farm to the city. Considerable data on consumption, prices, and other matters of importance are also included.

Copies are free to public officials and a few other groups. The bulletin will be sent to others on receipt of \$1.10, made payable to the New York State Department of Agriculture and Markets, at Albany, N. Y.

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The New York Produce Exchange announced recently that it would establish a futures market for trading in soybean oil. A contract will consist of 60,000 pounds of oil delivered in New York on an f.o.b. bonded warehouse basis. "Because of the phenomenal growth of soybean and soybean oil production in the United States," the exchange said, "it has been decided to establish a futures market for prime crude soybean oil."

--PERTAINING TO MARKETING--

The following reports, issued during March, may be obtained upon request:

From the Agricultural Marketing Service:

Standardization of Color Names...By Dorothy Nickerson (Address)

Important Trends in National Fruit and Vegetable Production and Distribution...By Reginald Royston (Address)

Livestock Marketing Problems and the Packers and Stockyards Act...
By H. E. Reed (Address)

Influence of Locality of Growth and Season on the Fiber and Spinning Properties of Two Varieties of Cotton...By Robert W. Webb (Address)

Grade, Staple Length, and Tenderability of Cotton in the United States, 1938-39

Rules and Regulations Under the Federal Seed Act, S.R.A. (A.M.S.) 156

Rules and Regulations Governing the Grading and Certification of Canned Fruits and Vegetables, S.R.A.- (A.M.S.) 155

Market Summaries:

Marketing Western New York Pears, 1939...By J. C. Keller and A.L. Thomas

Marketing the Michigan Apple Crop, 1939...By R.E. Keller
" " " Grape " " "
" " " Peach " " "
" " " Pear " " "

Marketing Colorado Peaches, 1939...By Bryce Morris

Marketing California Asparagus, 1939...By W. F. Cox and W. L. Jackson

California Apricots, 1939 Prices...By George K. York
" Peaches " " "
" Pears " " "
" Plums " " "

From the Bureau of Agricultural Economics:

Transportation of Agricultural Products in the United States, 1920-June 1939.

"A selected list of references relating to the various phases of railway, motor, and water carrier transportation".

